

The highlights of the Foreign Trade Policy 2013- 14 are given hereunder:-

01. MLFPS is being extended from 01.04.2013 to 31.03.2014 for exports to USA and EU in respect of items falling in Chapter 61 and Chapter 62 of ITC(HS).
02. Zero Duty Export Promotion Capital Goods (EPCG) Scheme - Government has decided to harmonize Zero Duty EPCG and 3% EPCG Scheme into one scheme which will be a Zero Duty EPCG Scheme covering all sectors.
03. Following are the salient features of the Zero Duty EPCG Scheme:-
 - (i) Authorization holders will have export obligation of 6 times the duty saved amount. The export obligation has to be completed in a period of 6 years.
 - (ii) The exporters who have availed benefits under Technology Upgradation Fund Scheme (TUFS) administered by Ministry of Textiles, can also avail the benefit of Zero duty EPCG Scheme.
04. Reduced to for Domestic Sourcing of Capital Goods - The quantum of specific Export Obligation (EO) in the case of domestic sourcing of capital goods under EPCG authorizations has been reduced by 10%. This would promote domestic manufacturing of capital goods.
05. Widening of Interest Subvention Scheme - At present, 2% interest subvention scheme is available to certain specific sectors like Readymade Garments. Government had announced that the benefit of this scheme of 2% interest subvention could be available upto 31.03.2014. Government has now decided to further widen the scheme to include items covered under Chapter 63 of ITC (HS) (other made up textile articles, sets, rags).
06. Widening the Scope of Utilization of Duty Credit Scrip - Duty Credit Scrips issued under Focus Market Schemes can be used for payment of service tax on procurement of services within the legal framework of service tax exemption notifications under the Finance Act, 1994. Holder of the scrip shall be entitled to avail drawback or CENVAT credit of the service tax debited in the scrips as per Department of Revenue rules. All duty credit scrips issued under Chapter 3 can be utilized for payment of application fee to DGFT for obtaining any authorization under Foreign Trade Policy. This benefit shall be available only to the original duty credit scrip holders. Duty credit scrip can also be paid for payment of composition fee and for payment of value shortfalls in EO under para 4.28 (b) of Hand Book of Procedure Vol. 1.
07. Market and Product Diversification - Norway has been added under Focus Market Scheme and Venezuela has been added under Special Focus Market Scheme. The total number of countries under Focus Market Scheme and Special Focus Market Scheme becomes 125 and 50 respectively.
08. Approximately, 126 new products have been added under Focus Product Scheme. These products include items from engineering, electronics, chemicals, pharmaceuticals and textiles sector. (Notification awaited)
09. The towns of Morbi (Gujarat) and Gurgaon (Haryana) have been added to the existing list of towns of export excellence for ceramic tiles and apparel exports respectively. These towns shall be eligible to get benefit under ASIDE Scheme.
10. Incremental Exports Incentivisation Scheme - Government has announced Incremental Export Incentivisation Scheme on 26.12.12 for the exports made during January 2013 to

March 2013. This scheme is available for exports made to USA, EU and Asia. It has been agreed to extend this scheme for the year 2013-14. The calculation of the benefit shall be on annual basis under the extended scheme.

11. The Government has also agreed to include additional countries under Incremental Exports Incentivisation Scheme. 53 countries of Latin America and Africa have been added with the objective to increase India's share in these markets.
12. Facility to close cases of default in Export Obligation - Requests have been received for grant of relief to close cases where there is default in export obligations pertaining to advance authorizations and EPCG authorizations. It has been decided to allow a facility to close such cases after payment of required duty, along with applicable interest. The duty + interest have to be paid within a limited period of six months from the date of notification of this scheme. The total payment shall not exceed two times the duty saved amount on default in Export Obligation.
13. Served from India Scheme (SFIS) - Service providers are entitled to duty credit scrips under Served from India Scheme at the rate of 10% of free foreign exchange earned during a financial year. The entitlement shall now be calculated on the basis of net free foreign exchange earned (i.e., after deducting foreign exchange spent from the total foreign exchange earned during the financial year).
14. Electronic Data Interchange Initiatives - e-BRC system allows Transmission of realization of export proceeds details from banks to DGFT in electronically secured format. The system has been made mandatory with effect from 17th August, 2012. Up to 16th April, 2013, 31.2 lakh e-BRC have been uploaded on the website of DGFT by 81 banks. e-BRC data is also of use to different ministries/departments of Central Government and State Governments who have expressed interest in obtaining this data from DGFT. Government of Maharashtra and Delhi has started the process, as first movers, to use e-BRC data for processing VAT refund claims of exporters. E-BRC will improve the productivity of DGFT, Banks, Central and State Government department dealing with exporter/importers and will lead to substantial reduction of transaction cost and time.
15. Reconciliation of export and bank documents at the time of closure of an Advance or EPCG Authorisation involved manual submission of many documents. Transmission of two key documents (Shipping bill from Customs and e-BRC from Banks) relating to Advance Authorization and EPCG Authorizations in secured electronic format to DGFT has established. Accordingly, DGFT has introduced the system of online Export Obligation Discharge certificate (EODC). Exporters can file EODC applications online. DGFT will also transmit all EODCs to DG Systems through a secured message exchange. This will obviate the need to have re- verification at the Custom's end. Reconciliation of export import/Closure of an authorization was document heavy process. With online EODC exporter can complete the formalities at DGFT online and may get quick clearances at the Customs on account of e-transmission of EODC from DGFT to Customs.